



T H E M I L I T A R Y C O A L I T I O N

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**STATEMENT  
OF  
THE MILITARY COALITION**

**before the**

**Committee on Veterans' Affairs**

**February 11, 2003**

**Presented by**

**Colonel Robert F. Norton, USA-Ret.  
Co-Chairman, Veterans' Committee  
The Military Coalition**

**Biography of Robert F. Norton, COL, USA (Ret.)**  
**Deputy Director, Government Relations, MOAA**  
**Co-Chair, Veterans' Committee, The Military Coalition**

A native New Yorker, Bob Norton was born in Brooklyn and raised on Long Island. Following graduation from college in 1966, he enlisted in the U.S. Army as a private, completed officer candidate school, and was commissioned a second lieutenant of infantry in August 1967. He served a tour in South Vietnam (1968-1969) as a civil affairs platoon leader supporting the 196th Infantry Brigade in I Corps. He transferred to the U.S. Army Reserve in 1969 and pursued a teaching career at the secondary school level. He joined the 356th Civil Affairs Brigade (USAR), Bronx, NY and served in various staff positions from 1972-1978.

Colonel Norton volunteered for active duty in 1978 and was among the first group of USAR officers to affiliate with the "active Guard and Reserve" (AGR) program on full-time active duty. He specialized in manpower, personnel, and quality-of-life programs for the Army's reserve forces. Assignments included the Office of the Deputy Chief of Staff for Personnel, Army Staff; advisor to the Asst. Secretary of the Army (Manpower & Reserve Affairs); and personnel policy and plans officer for the Chief, Army Reserve.

Colonel Norton served two tours in the Office of the Secretary of Defense (OSD). He was responsible for implementing the Reserve Montgomery GI Bill as a staff officer in Reserve Affairs, OSD. From 1989 –1994, he was the senior military assistant to the Assistant Secretary of Defense for Reserve Affairs, where he was responsible for advising the Asst. Secretary and coordinating a staff of over 90 military and civilian personnel. During this tour, Reserve Affairs oversaw the call-up of more than 250,000 National Guard and Reserve component troops for the Persian Gulf War. Colonel Norton completed his career as special assistant to the Principal Deputy Asst. Secretary of Defense, Special Operations / Low Intensity Conflict and retired in 1995.

In 1995, Colonel Norton joined Analytic Services, Inc. (ANSER), Arlington, VA as a senior operational planner supporting various clients including United Nations humanitarian organizations and the U.S. Air Force's counterproliferation office. He joined MOAA's national headquarters as Deputy Director of Government Relations in March 1997.

Colonel Norton holds a B.A. in philosophy from Niagara University (1966) and a Master of Science (Education) from Canisius College, Buffalo (1971). He is a graduate of the U.S. Army Command and General Staff College, the U.S. Army War College, and Harvard University's Senior Officials in National Security course at the Kennedy School of Government.

Colonel Norton's military awards include the Legion of Merit, Defense Superior Service Medal, Bronze Star, Vietnam Service Medal, Armed Forces Reserve Medal, Army Staff Identification Badge and Office of the Secretary of Defense Identification Badge.

Colonel Norton is married to the former Colleen Krebs. The Nortons have two grown children and reside in Derwood, Maryland.

MISTER CHAIRMAN AND DISTINGUISHED MEMBERS OF THE COMMITTEE, on behalf of The Military Coalition, a consortium of nationally prominent uniformed services and veterans' organizations, I am grateful for this opportunity to express the Coalition's views on issues affecting the entire uniformed services community. This testimony provides the collective views of the following military and veterans' organizations, which represent approximately 5.5 million current and former members of the seven uniformed services, plus their families and survivors.

- Air Force Association
- Air Force Sergeants Association
- Air Force Women Officers Associated
- AMVETS (American Veterans)
- Army Aviation Association of America
- Association of Military Surgeons of the United States
- Association of the United States Army
- Chief Warrant Officer and Warrant Officer Association, U.S. Coast Guard
- Commissioned Officers Association of the U.S. Public Health Service, Inc.
- Enlisted Association of the National Guard of the United States
- Fleet Reserve Association
- Gold Star Wives of America, Inc.
- Jewish War Veterans of the United States of America
- Marine Corps League
- Marine Corps Reserve Officers Association
- Military Chaplains Association of the United States of America
- Military Officers Association of America
- Military Order of the Purple Heart
- National Guard Association of the United States
- National Military Family Association
- National Order of Battlefield Commissions
- Naval Enlisted Reserve Association
- Naval Reserve Association
- Navy League of the United States
- Non Commissioned Officers Association
- Reserve Officers Association
- The Retired Enlisted Association
- The Society of Medical Consultants to the Armed Forces
- United Armed Forces Association
- United States Army Warrant Officers Association
- United States Coast Guard Chief Petty Officers Association
- Veterans of Foreign Wars
- Veterans' Widows International Network

The Military Coalition, Inc., does not receive any grants or contracts from the federal government.

## **VETERANS HEALTH CARE**

***Full Funding for Enrolled Veterans.*** Demand for VA health care far exceeds the capacity to provide timely, quality services to enrolled veterans. Under the VA's open enrollment program (which was suspended in January) approximately seven million veterans have enrolled in VA care and nearly five million veterans sought care in the system in 2002. Last year, some 315,000 veterans were on unacceptably long waiting lists ranging from six-months to one-year for initial or specialty appointments. Although there has been some progress in reducing the wait times, there are many parts of the country where veterans still are forced to wait many months for appointments. The demand – resources gap is having an adverse impact on veterans' health because many simply can't get care when it is needed. The Coalition believes very strongly

that once the VA has agreed to accept a veteran for care there is an absolute obligation of the government to provide high quality care in a timely manner.

***TMC strongly supports full funding for all enrolled veterans to ensure timely, high-quality access to VA health care services.***

**Dual-Eligible Veterans.** Veterans who have completed a full career in the armed forces, the Public Health Service or the NOAA Corps have earned lifetime entitlement to health care benefits provided by the Department of Defense in the TRICARE program and eligibility for VA health care services. Dual-eligible veterans constitute about 13% of all enrolled veterans, but they represent 30% of all disabled, Purple Heart, and POW enrollees in Priority Groups 1-3 as shown in the table below.

Military Retired VHA Enrollees									
Priority:	1	2	3	4	5	6	7A	7C	Total
Under 65	137,001	96,808	126,883	777	27,835	9,474	8,877	60,715	468,370
Over 65	77,126	43,731	68,816	2,918	40,528	9,128	9,538	81,066	332,851
unknown:	7	13	21	1	1	2	0	5	50
<b>Total</b>	<b>214,134</b>	<b>140,552</b>	<b>195,720</b>	3,696	68,364	18,604	18,415	141,786	<b>801,271</b>
% Of <u>All</u> Enrollees	36%	34%	24%						12.6%

Military Retired VHA Patients									
Priority:	1	2	3	4	5	6	7A	7C	Total
Under	108,986	55,002	57,414	638	14,512	3,315	4,707	19,724	264,298
Over	66,659	31,256	44,430	2,163	24,041	3,620	5,472	28,465	206,106
Unknown:	3	3	1	1	0	0	0	0	8
<b>Total</b>	<b>175,648</b>	<b>86,261</b>	<b>101,845</b>	2,802	38,553	6,935	10,179	48,189	<b>470,412</b>

Source: VHA. Dual-eligible enrollment and user data as of 30 September 2002. The table does not reflect a recent VA decision to transfer about two-thirds of PG 7 veterans to a newly established PG-8 category.

The table also illustrates that a significant number of disabled military retirees (PG 1-3) use VA health care for at least some of their care. For example, 82% of dual-eligibles with disabilities rated at 50% or greater use VA care.

***TMC urges the Committee to fully fund specialty care including medical research and needed facilities upgrades for all enrolled veterans who rely on these unique VA services.***

**No "forced choice".** TMC is most appreciative of Congress' action to protect dual-eligible veterans access to all earned health care benefits provided by DoD and VA. As we noted in testimony before the House Armed Services Military Personnel Subcommittee and the House Veterans Affairs Subcommittee on Health hearing last year, the government should not force military retirees to relinquish any earned health care benefit. We are encouraged that the DoD and VA Health Council has developed reimbursement rates to support better coordination-of-care activities between TRICARE and VA health care. Agency-level coordination mechanisms must be designed in ways that foster budget coordination and reconciliation without limiting dual-eligibles' access to earned health care benefits for the convenience of the government.

***TMC appreciates Congress' continued support in opposing "forced choice" proposals that would compel dual-eligible veterans to relinquish access to either DoD or VA-sponsored health care services.***

**DoD – VA Health Systems' Collaboration.** Representatives from TMC have actively participated in the Presidential Task Force (PTF) to Improve Health Care Delivery for Our Nation's veterans. The PTF is expected to issue a final

report on its findings and recommendations in the next few months. For servicemembers and veterans, a lasting legacy of the PTF could be the creation of a “seamless, transferable lifetime medical record.” A lifetime service medical record could help veterans to obtain early, accurate and fair VA disability ratings, facilitate access to needed specialty care in either system, and enable collaborative medical research between DoD and the VA. Such a project requires considerable investment in information management and technology in both federal departments and the commitment of senior leaders to a strategic vision that places veterans at the heart of DoD – VA collaborative activities.

***TMC strongly recommends Congressional support for funding the development of a “seamless, transferable, lifetime medical record” for all servicemembers; strategic planning at the highest levels of DoD and VA; investment in information management / technologies between the two departments; and closer collaboration between the TRICARE and VA ‘CARES’ planning processes.***

**VA Medicare Subvention.** Over 40% of enrolled veterans are eligible for Medicare. VA Medicare Subvention may enhance some older veterans’ access to VA health care and potentially reduce overlapping spending by Medicare and the VA for the same services. TMC is encouraged by the VA’s recent announcement to create a Medicare + Choice Plan for certain Medicare-eligible Priority Group 8 veterans. But we offer two cautionary observations. “Medicare + Choice” plans have not been well received in the private sector; and, if VA must meet Medicare access standards for those who agree to participate in the “VA + Choice” HMO, it should also establish Medicare access standards for all enrolled veterans. TMC continues to endorse the concept of authorizing Medicare reimbursement – VA subvention – in VA facilities.

***TMC recommends Congress endorse the “VA + Choice” plan and provide the funding for the entire VA system to meet Medicare access standards for all enrolled veterans. TMC continues to support Medicare reimbursement for non-service connected care for all enrolled Medicare-eligible veterans.***

## **VETERANS BENEFITS**

**Disability Claims Backlog and Process Improvement.** By late 2002, backlogged VA claims had dropped from 600k to 463k, including 97k claims on appeal. VA’s goal is a steady state of 250k claims pending. However, despite commendable improvements in the “numbers”, the reality is that the system has significant challenges in ensuring consistent, fair, and high-quality claims’ ratings across the system. The key to long-term progress is the hiring, professional training, and support of a high-quality workforce of claims workers supported by investment in information management and technology. ***TMC strongly recommends adequately funding the Veterans’ Benefits Administration to meet its manpower, training, and IM / IT requirements and to sustain recent improvements in reducing the claims backlog.***

**Concurrent Receipt of Military Retired Pay and VA Disability Compensation.** The Coalition was disappointed that agreement could not be reached last year to provide unconditional concurrent receipt to disabled military retired veterans, but appreciates the “first ever” provisions that were provided to eliminate the disability offset for certain retirees with combat- or operations-related disabilities. Congress’ action to establish a “beachhead” in law is very significant in recognizing that military retired pay and veterans disability compensation are paid for different purposes, and one should not offset the other.

The Coalition has long held that retired pay is earned compensation for completing a career of arduous uniformed service, while veterans disability compensation is paid for loss of function and future earning potential caused by a service-connected disability.

Previous attempts to fix this inequity have all been met with the same response-the cost is too large. But the cost to men and women in uniform who have been injured while serving this Nation is far greater, as the government now deducts every dollar of this cost from disabled retired veterans' paychecks – imposing a heavy financial penalty on top of their service-connected health loss. The new special compensation authority will help several thousand in a very select group injured by combat, or related operations. But there are many, many more thousands of deserving disabled retirees who have been left behind.

The Coalition is particularly concerned that, during last-minute final negotiations on the FY 2003 Defense Authorization Act, changes in eligibility language inadvertently omitted three classes of disabled retirees who otherwise fall within the criteria enacted into law.

First, technical language effectively excluded virtually all National Guard and Reserve retirees with 20 years of creditable service and combat-related disabilities. There are many retired reservists who were awarded Purple Hearts and have combat-related disabilities. Their Guard and Reserve status did not protect them from being wounded on the battlefield, and they should not be discriminated against by this legislation.

Second, there are a very limited number of retirees who received nondisability retirements with 15 to 19 years of service during the drawdown of the early 1990s and who also have otherwise-qualifying combat-related disabilities. These members earned their military retirement independently of their disability and should be eligible to receive the special compensation if their disabilities would otherwise qualify.

Finally, enlisted retirees who were awarded one of the top two decorations for valor are authorized an extra 10 percent in retired pay (within the maximum limit of 75 percent of basic pay). The Coalition believes strongly that the modest extra retired pay awarded these members for their combat heroism should not be subject to the disability offset.

The Coalition is aware of concerns expressed by some that enactment of concurrent receipt legislation could lead to additional applications for initial award of disability ratings or increases in existing ratings. But we cannot accept any contention that government workload concerns should be used as an excuse to resist treating disabled retirees fairly.

The Coalition was particularly distressed by a proposal in the FY2003 VA-HUD Appropriations Bill reported by the House Appropriations Committee last year that was generated by just such a concern. The proposal would have barred the VA from processing any new disability applications by disabled retired veterans eligible for payments under any new concurrent receipt legislation Congress might pass. The Coalition was stunned that some in the same Congress that authorized a payment to a retiree with a service-connected disability would seek to simultaneously bar any newly disabled retirees from applying for it.

The Coalition hopes the Committee shares this concern and will ensure that the Department of Veterans Affairs is adequately funded to address the issue of timely claims processing.

***The Military Coalition urges the Committee to support ultimate elimination of the disability offset for all disabled retirees, expansion of***

***eligibility for the new special compensation, and funding as necessary to ensure timely processing of any expected increase in disabled veterans' claims for this or other reasons.***

**Education Benefits for Career Servicemembers.** Active duty career servicemembers who entered service during the VEAP-era (1 January 1977 - 30 June 1985) but who declined to take VEAP are the only group of currently serving members who have not been offered an opportunity to enroll in the Montgomery GI Bill (MGIB). There are about 110,000 servicemembers in this situation. Many actually were discouraged by service officials from signing up for VEAP, as it was acknowledged to be a grossly inadequate program compared to the Vietnam-era GI Bill and the subsequent MGIB, which started on 1 July 1985. As the backbone of today's force, these members – now with 17 to 25 years of service -- are critical to the success of ongoing and pending military operations. Before they complete their careers, they should be afforded at least one opportunity to say "yes" or "no" to veterans' education benefits under the MGIB.

***TMC recommends Congress support an increase to MGIB program funds and endorse a sign-up window for career servicemembers who declined VEAP when they entered service.***

**Benchmarking MGIB Benefits.** TMC is one of the original founding group of organizations within *The Partnership for Veterans Education*. Altogether, there are 52 military, veterans, and higher education organizations in the Partnership, which collectively represent more than 11 million members. The Partnership strongly advocates the establishment of a benchmark for MGIB benefits so that they keep pace with the average cost of a four-year public college education. The "Veterans Education and Benefits Expansion Act of 2001" (P.L. 107-103) signaled Congress' commitment to restoring the educational buying power of the MGIB. The final increase authorized in the law goes into effect on 1 October this year, raising basic MGIB rates for full-time study to \$985 per month, a \$313 per month increase, or 46%, over the past three years.

But even with the 1 October increase, MGIB benefits will account for only about 67% of the average cost of a four-year public college or university for academic year 2003-2004. Next year, a veteran can expect to pay on average about \$1470 per month for full-time study at a four-year public college or university but receive just \$985 in MGIB benefits. Since many veterans are married when they separate, it is increasingly difficult for them to achieve their educational and training goals with benefits that do not keep pace with the rising cost of education.

***TMC supports the Partnership's goal of tying future benefit increases to a recognized government index of the cost of higher education.***

**National Guard and Reserve Montgomery GI Bill Benefits.** Tens of thousands of Guard and Reserve servicemembers have been mobilized over the past year and a half to support the war on terror at home and abroad. When these citizen-soldiers are demobilized they become eligible for veterans benefits. However, reserve MGIB benefits – authorized under Chapter 1606 of 10 USC -- have not kept pace proportionately with Chapter 30 (Title 38) benefits. Only two benefit increases have been legislated in the reserve program since its inception in 1985 (other than cost-of-living increases). In 1985, reserve MGIB rates were set at 47% of active duty MGIB rates. On 1 October this year, the reserve MGIB benefit will fall to about 27% of the Chapter 30 rate, \$276 compared to \$985 per month for full-time study. To synchronize this program with the Chapter 30 program, TMC supports transferring the Chapter 1606, Title 10 reserve MGIB program to Title 38 so that future increases in basic benefits can be reflected proportionately in the reserve program.

***TMC recommends Congress support rate increases and funds for the reserve MGIB program so that National Guard and Reserve servicemembers can see an educational return on their voluntary service to country.***

**Retention of Dependency and Indemnity Compensation (DIC) if remarried after age 55.** In U.S. government agencies, all survivor benefits are retained if a beneficiary remarries after a certain age. The only exception is the military DIC widow or widower. Many widows refrain from remarrying because they cannot afford to lose their DIC.

***TMC urges Congress to provide funds to permit a DIC widow(er) who marries after the age of 55 to retain DIC status and benefits.***

### **Conclusion**

The Military Coalition greatly appreciates the opportunity to present our views on funding priorities for the administration's budget submission for the Department of Veterans Affairs. We look forward to working with the Committee leadership and members to ensure full funding for veterans health care and benefits programs.